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RUEHIL/AMEMBASSY ISLAMABAD 1493
RUEHKT/AMEMBASSY KATHMANDU 8929
RUEHLM/AMEMBASSY COLOMBO 7776
RUEHCI/AMCONSUL CALCUTTA

CONFIDENTIAL DHAKA 000244

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E.O. 12958: DECL: 02/12/2017

TAGS: PREL KDEM PHUM BG

SUBJECT: KHALEDA ZIA FRETS ABOUT ARRESTS

Classified By: Ambassador Patricia Butenis for reason para 1.4 d.

- 11. (C) Summary. Beleaguered ex-Prime Minister Khaleda Zia told Ambassador that "most" of her senior figures arrested on corruption suspicions are innocent, complained that Awami League "godfathers" of violence have avoided arrest, and reiterated that her party wants elections within six months. She said a much-rumored national unity government would lack popular appeal because it was un-elected, and denied that her party's student group had threatened to hit the streets if her son Tarique were arrested. End Summary.
- 12. (SBU) Late February 11, Ambassador met with Bangladesh Nationalist Party chairperson Khaleda Zia, who was accompanied by her normal trio of functionaries for meetings with diplomats: former Foreign Minister Morshed Khan, party secretary general Mannan Bhuiyan, and former foreign policy

SIPDIS advisor Reaz Rahman.

- 13. (C) Asked how she and her party were holding up, Zia told Ambassador that she has had no direct contact with the Fakhruddin Ahmed government. While she had been encouraged by Ahmed's first speech and its pledge to proceed with elections as soon as possible, she was concerned by subsequent events. The economy is under pressure, she said, and the government is not preparing for the new fiscal budget due July 1. (Note: In fact, the government has already begun budget drafting.)
- 14. (C) Zia accepted the concept of the anti-corruption drive, but said that specific charges should precede arrests, not the other way around. "Most" of the senior BNP arrestees are innocent, she said, and are being held in terrible conditions, denied bail and family contact. She complained that the "godfathers" (a reference to Awami League chief thugs in the 2001 election) have avoided arrest, as has the Awami League mayor of Chittagong, despite his sordid past (including allegations he murdered his first wife) and his politically-motivated shutdowns of Chittagong port. She denied press reports that her party's student group had threatened to hit the streets if her son Tarique were arrested.
- ¶5. (C) Regarding Nobel laureate Muhammad Yunus's offer yesterday to enter politics, Zia said this was his right. However, Morshed Khan observed, it is ironic that Yunus is joining a class he had recently disparaged as corrupt and visionless. Reaz Rahman added that Yunus's political activism always seems to escalate after his visits to India. They downplayed the popular appeal of a much-rumored national unity government, saying it would lack popular appeal because it was un-elected.

- 16. (C) Asked to look back on events leading up to the state of emergency, Zia wondered why the Awami League had finally opted for elections, only to back out 10 days later. She ruled out the electoral disqualification of Jatiya Party president Ershad, saying it was just an excuse.
- 17. (C) Comment: Zia appeared tired and, unusually, spoke mostly in Bangla. Officially, she continues to insist her party wants early elections and that she is committed to non-violence, though the arrests of senior party leaders are a jolt to her party's ability to function effectively. It is true that her party has borne the brunt of recent arrests, though this is generally accepted here as logical since her party was last in power and took corruption to new depths. Zia is starting to see herself as a victim of government actions and rationalizes corruption as a legacy of the Ershad dictatorship that affects all parties. She continues to receive some visitors at her party office but is keeping a low public profile. There are recurring credible reports of military pressure on both Zia and her Awami League nemesis, Sheikh Hasina, to leave Bangladesh, a prospect Zia alluded to when she asked Ambassador where she could go if forced to leave Bangladesh. BUTENIS